

CONFIDENTIAL

The Record

26 January 1965

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[REDACTED]

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Visit [REDACTED]

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1. On Friday, 22 January, [REDACTED] of Contracts Division, Logistics, and I visited [REDACTED] of [REDACTED]. Both of these gentlemen are cleared consultants. The primary purpose of the trip was to try to develop mutually acceptable terms for a contract under which we could conduct the considerable variety of training and developmental programs that have been approved and are anticipated. In addition, I was to discuss with [REDACTED] the matter of some other person or persons who had solicited his assistance in a foreign activity allegedly to be in the interest of the U.S. government, which [REDACTED] had mentioned on the telephone to [REDACTED].

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2. As regards this latter topic I found that [REDACTED] had promised to maintain the security of the individual as well as the other dealings concerning the proposition. He seemed to be fairly confident that it was not anyone else from CIA, and as things now stand he had taken the position that he would maintain the confidence requested but that he would also do nothing until he was presented with more positive and reassuring evidence by appropriate officials of the U.S. government that it was indeed desired that he participate in the proposed activity. In the face of this particular situation I did not ask that he violate his oath of secrecy and counseled him on the variety of possibilities both good and bad that could be involved, that he would have to use his own judgment but that if there were any shadow of a doubt as to the bonafides involved in this matter he should come to us with full details. I further acquainted him with the fact that, if a contract is executed, he and any other cleared member of his firm would be obligated to get our approval before visiting any denied area or even attend an international conference where known representatives of communist countries would be present.

3. Our negotiations relative to a contractual arrangement progressed in a generally satisfactory manner. It was our opinion in the MTF that an arrangement whereby we would pay on the basis of

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specific and identifiable items of materials and consultative services instead of a lump sum as contained in the [REDACTED] proposal for the running of one pilot project would be desirable. Even though this price-list approach was somewhat strange to [REDACTED] we did reach general agreement. As soon as [REDACTED] returns from a trip to the Midwest we will prepare a formal contract in accordance with the agreements reached. This contract will provide for monthly billings and payments and will be sufficiently flexible that we can acquire anything from a isolated consultation through specialized seminars onto complete and continuing developmental programs. I believe that it will provide a practical and efficient basis for any relationship that we may desire, and at the same time retain for us careful control of the actual expenditures. As soon as our first draft is ready it will be presented for review by appropriate officials.

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